



COMMUNITY
FOUNDATIONS
OF THE HUDSON VALLEY

Inspiring and Celebrating Local Charitable Giving and Civic Engagement

THE CORE

A CFHV PROFESSIONAL ADVISOR NEWSLETTER

Welcome to Community Foundations of the Hudson Valley's Professional Advisor newsletter, where we share insights to help you support your clients' philanthropic goals. In this issue: Tips on Keeping Beneficiary Designations Up-to-Date; Balancing Family Legacy with Charitable Intentions; the Latest Developments on Donor-Advised Funds(DAFs) from Capitol Hill; and a Spotlight on Real Estate Developers Who are Making Impactful Charitable Contributions.

Beneficiary Designations

Not Just Another Piece of Paper

In the digital age, it's easy for clients simply to ignore forms and paperwork. Don't let your clients fall into the trap of omitting critical assets from their financial plans. Beneficiary designations on life insurance policies and retirement plans are among the legal documents that a client might forget to tell you about.

This may be what [happened](#) to a Procter & Gamble employee who passed away in 2015, leaving behind a sizable retirement plan. In 1987, the employee had designated their then-partner as the beneficiary. Although the relationship ended, the beneficiary designation was never updated. By the time of the employee's death, their nearly \$1 million in retirement investments went to their former partner. In April 2024, a United States District Court upheld the validity of the original 1987 handwritten beneficiary designation.

This case emphasizes the importance of keeping beneficiary designations up to date. This is also an important reminder to urge your clients to provide information about all assets they own and cover them in an estate plan update. Also important to note, since assets from beneficiary designations pass directly to the beneficiaries, clients can avoid a lengthy and costly probate process.

Establishing Community Foundations of the Hudson Valley, a nonprofit organization, as a direct beneficiary, allows clients wishing to create their charitable legacy with a simple and impactful way to support causes important to them beyond their lifetime. CFHV will work in partnership with your client and you to create a customized charitable legacy plan that is meaningful to them and their loved ones.

Our team is happy to help structure your clients' beneficiary plans and future charitable giving, including direct designations. Please reach out to our VP of Philanthropy Serena Marrero at smarrero@communityfoundationshvh.org.

From the NY Times Magazine

Ethical Dilemma in Trusts

[In this article](#), a letter writer is grappling with the ethical implications of a trust that ties a substantial portion of its assets to the birth of grandchildren. If no grandchildren are born, the trust's assets are designated for charitable purposes, specifically to support disadvantaged children in the region. The letter writer is concerned about whether their parents' plan, which potentially values future descendants over existing family members, might create undue pressure or conflict with their personal values. This scenario underscores the complexity of balancing charitable intentions with family dynamics in estate planning.

Charitable Planning

A Springboard for Conversation

It's no secret that charitable giving is a personally meaningful activity for many people. So if you're a financial advisor, discussing charitable actions can yield fantastic results and strengthen your ongoing client-advisor relationship.

Now, you may be thinking, "but how do I get to that point with my client?" Luckily for you, CFHV has you covered. Here are some important issues to discuss with your clients:

Riding Into the Sunset – With the curtain call of the estate tax exemption looming at the end of next year, you're likely talking about estate and gift tax a lot more than you used to. Charitable giving is an excellent tool to help blunt the effects of estate taxes that are set to impact many more taxpayers beginning in 2026. [What's the 2024 Estate Tax Exemption?](#)

A Legacy Runs Through It – As you structure bequests to children and grandchildren in clients' wills and trusts, be sure to ask clients if they'd like to leave a legacy to the community through charitable giving. The Community Foundations offers a wide variety of options to help support clients' favorite causes in the most tax-efficient way possible.

Close Encounters of the Charitable Kind – When you encounter a client who could benefit from a charitable tax deduction in the current year with the flexibility to support a favorite charity now and in the future, you can always reach out to Community Foundations for information.

Also, charitable planning through CFHV is often an outstanding tool for your clients who are in transition stages in life.

The team at CFHV is here for you as you begin the journey of establishing a client's charitable giving plans. Make us your first call.



The Community Foundations continues to be grateful to all the advisors that reach out to us for our services. Because we dedicate ourselves to quality service, we stay abreast of new rules and regulations that are going into effect.

Recently, donor-advised funds (DAFs) have been heavily discussed because of the IRS's proposed regulations back in November 2023.

Click [here](#) to learn more about those proposed regulations and what they could change.

CFHV has been reviewing these documents and keeping up with the latest developments. We are pleased to see members of different organizations speak out on proposed regulations that could negatively impact the ties between nonprofit organizations and their donors.

In a hearing held from May 6-7, 2024, more than 150 organizations provided comments on the proposed regulations, with 34 in-person speakers, including a number of representatives from national community foundations. Questions and concerns were raised on how these proposed regulations would negatively impact the effectiveness of other types of charitable giving. It was also pointed out that DAFs have been highly effective, and many appreciated the growing amount of support they have provided to nonprofits and communities in need.

For more on what was discussed during this hearing, click [here](#).

As you track the issue, remember that a donor-advised fund is just one of many types of funds your clients can establish at Community Foundations. Other types of funds at Community Foundations can be just as effective as a DAF, depending on the client's objectives. Field of Interest funds, for example, allow your client to tap into the expertise of the Community Foundations team to ensure that your client's legacy continues for generations, even as community priorities change over time.

Our team will continue to work diligently to keep you up to date on this proposed regulation.

In Your Community

Real Estate Pros Tackle the Housing Crisis

The recent commitment by a team of developers to donate a percentage of its profits from real estate projects to community foundation, is more than just a charitable gesture. It offers significant opportunities for investors to leverage tax benefits, enhance their portfolios, and make meaningful community impact. This innovative model aligns with socially responsible investment trends and provides a unique avenue for financial planning professionals to help clients build lasting legacies in communities. Ask us how integrating philanthropic elements into real estate investments can enhance your professional practice and client satisfaction.

Community Foundations
of the Hudson Valley makes



more

Arts & Culture
Food Security
Scholarships
After School Programs
Environmental Sustainability
Vital Community Services

...possible

Please reach out to CFHV if your clients need guidance on charitable giving. As a trusted partner in philanthropy for donors and their advisors, we empower individuals, families, businesses, and organizations to establish charitable funds aligned with both personal priorities and community needs. With over \$100 million in assets and nearly 600 charitable funds, CFHV is committed to making a meaningful impact in the Hudson Valley.

DISCLAIMER: The team at Community Foundations of the Hudson Valley holds deep charitable expertise and may be a helpful resource as you serve your philanthropic-minded clients. However, our standing is secondary to the primary relationships you have with them. This newsletter is provided for informational purposes only and all information is collected through third-party sources. It is not intended as legal, accounting, or financial planning advice.